THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Information is being collected and will be laid on the table of the House.

Lending to irrigation corporations by commercial banks

1674. SHRI K.C. KONDAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Karnataka Government has requested the Central Government to promote commercial banks to classify lending to irrigation/irrigation corporations constituted by the State Governments either as direct or indirect priority sector;

(b) whether Government are aware that such measures will ensure adequate financial resources for the State Government; and

(c) whether Government would take steps to make lending to irrigation/irrigation corporations by commercial banks more liberal by removing all restrictions and treating it as priority sector in Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) As per the standing guidelines issued by Reserve Bank of India (RBI) to banks on lending for development of irrigation potential are classified as 'Direct Finance to Agriculture'. These include construction of shallow and deep tube wells, tanks, etc., and purchase of drilling units; constructing, deepening clearing of surface wells, boring of wells, electrification of wells, purchase of oil engines and installation of electric motor and pumps; purchase and installation of turbine pumps, construction of field channels, etc.; construction of lift irrigation project; installation of sprinkler irrigation system; purchase of generator sets for energisation of pumpsets used for agricultural purposes. Further, contribution made by banks to Rural Infrastructure Development Fund (RIDF) from which State Governments or State sponsored Corporations can take loan for irrigation sector are also classified as 'Indirect Finance to Agriculture'. No specific proposal from Karnataka Government has been received by RBI for classifying lending to irrigation/irrigation

corporations constituted by State Government either as 'direct/ indirect priority sector lending'.

Reduction in Central Excise Duty on Cigarettes

1675. SHRI K. KALAVENKATA RAO:
DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether tobacco farmers are demanding reduction in Central excise duty on cigarettes and waiver of interest on bank loans; and

(b) if so, what is the Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Representation was received from the Tobacco Growers for reduction of excise duty including removal of National Calamity Contingent Duty, which is a duty of excise, on cigarettes. The same was examined but not found acceptable.

As regards waiver of interest on bank loans, information is being collected.

FDI in Private Sector Banks

1676. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has notified to allow 49 per cent FDI in private sector banks in the country; and

(b) if so, whether the portfolio investment in these banks by Foreign Institutional Investors (FIIs) will be within the FDI limit of 49 per cent or outside?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) No, Sir.